

April 1, 1998

The Honorable John Doolittle, Chair
Subcommittee on Water and Power Resources
1526 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Doolittle:

Thank you for your letter of March 26, 1998, setting forth several questions regarding the CALFED Bay-Delta Program that you believe should be answered before members of the Subcommittee take positions on the President's budget request for Fiscal Year 1999. Your letter also mentions a Congressional hearing within six to eight weeks on the progress of the CALFED Bay-Delta Program. I look forward to the opportunity to discuss our progress with you and the Subcommittee.

In response to your questions, I offer the following information:

1. You have asked for the criteria and performance standards developed for evaluating Program expenditures.

Performance assessment for the ecosystem restoration program consists of two major parts: overall assessment of ecosystem response (or landscape level assessment) and project level assessment. The overall, landscape level assessment is, by its nature, a long-term commitment to monitoring and to evaluating trends and broad conditions.

State and federal agencies that make up the CALFED consortium have been operating various monitoring programs, such as the Interagency Ecological Program, for the Bay-Delta system for many years. These long-standing and extensive monitoring programs provide the basic information used to assess the condition of the Bay and Delta. CALFED agencies are supplementing these efforts with more detailed and specific criteria and standards over the next nine to twelve months to monitor the new restoration efforts associated with the CALFED Program. This new and expanded effort is referred to as the Integrated Environmental Monitoring and Research Program

CALFED Agencies

California The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board

Federal Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Department of Commerce
National Marine Fisheries Service

(IEMRP). The standards in the IEMRP (often referred to as indicators of performance) will add significant monitoring detail at both the project level and the landscape level.

Over the next two decades, CALFED anticipates that significant changes will occur to the hydraulic capacity, physical features, water quality, and ecosystem of the Bay-Delta. The CALFED Program common elements focus initially on water quality protection and ecosystem restoration. Other Program components will subsequently address conveyance systems, storage, and levee modifications. All these changes will be implemented through an adaptive management process, which involves evaluating the benefits of the actions and modifying subsequent actions as necessary. The monitoring program will provide information on which to base later decisions. In effect, this adaptive management approach is based on comprehensive monitoring that becomes a "report card" on the overall program.

At the project level, CALFED requires project-specific performance standards for monitoring and assessing the biological benefits of the individual projects, as contract conditions. Information from project-specific monitoring will be used in the adaptive management process to evaluate the benefits of continued funding for certain actions. Project-specific standards will be required for all of the major ecosystem restoration investment categories, as illustrated by the following examples: 1) for fish screen improvements, performance standards include monitoring of the screened water diversion to determine if fish are being screened, monitoring the efficiency of the screen over time, monitoring the number of screens installed, assessing localized changes in species populations, and evaluating the efficiency of different screen designs; 2) for habitat restoration in floodplains and marshes, the performance standards include monitoring of the frequency and level of water inundation, monitoring the vegetation and habitat development from the inundation, and surveying species use of the area; and 3) for improved instream flow, the performance standards include identifying the season, volume, and water quality of the increased flow needed for targeted species, surveying species to identify distributions before increased flows, measuring flow changes, and surveying species to identify distributions with the increased flows.

2. You have asked for information about implementation of a willing seller/willing buyer policy for property acquisition under the Program.

We are sensitive to the issues that arise when government agencies discuss acquiring rights to property currently in private ownership. As you know, the CALFED Bay-Delta Program, as a long-term approach to Bay-Delta issues, is still in development. Although specific implementation approaches are still under discussion, the basic approach adopted by the CALFED agencies is to foster cooperative relationships with

affected stakeholders. This approach also applies to acquisition of rights to property under the Category III program. Cooperative relationships will certainly include willing seller-willing buyer transactions, where the government enters the property market, looking for suitable properties at suitable prices. Priority will be given to purchase of easements, so that, to the extent possible, property remains in private ownership.

Eminent domain proceedings may take place in situations such as when the property owner requests that the government exercise its eminent domain authority in acquiring the property or when development of storage, conveyance, or flood control facilities requires acquisition of specific parcels for construction of facilities.

We are confident that the nature of CALFED, as a consortium of several State and Federal agencies, and the large amount of public involvement in the CALFED process provides assurances that permit applications are reviewed and acted on within applicable statutory and case law, regulations, and departmental policies.

3. You have asked for a description of the steps taken to ensure that affected members of the public are aware of the Program and its potential effects on private property interests.

The CALFED staff and agencies see public awareness and involvement as essential to successful implementation of a long-term solution to Bay-Delta issues. To ensure that the public is aware of the scope of the changes under discussion, the CALFED staff have widely disseminated draft documents describing various aspects of the Program. These documents discuss potential land use impacts. Additionally, the CALFED staff have conducted hundreds of meetings with various stakeholder groups and the general public. Meetings between CALFED staff and stakeholder groups on various aspects of the CALFED Program continue weekly; land use impacts are frequently discussed in these meetings. A new round of widely-publicized public hearings is scheduled to begin on April 21, 1998. These hearings will generate the higher level of public knowledge and interest that we believe is needed to ensure successful implementation of a long-term solution to Bay-Delta issues.

4. You have asked for a description of steps being undertaken to reduce local economic impacts from taking land out of production.

CALFED intends to minimize and avoid any local social or economic impacts associated with the land acquisition program. The CALFED Program has multiple objectives which, when implemented, will result in an overall improvement in the agricultural economy of California. Through improved water supply reliability, water

quality, and Delta levees, California agriculture in the Central Valley will significantly benefit.

In the near term, as land acquisition associated with the ecosystem restoration program is pursued, several efforts are being taken to reduce local impacts. Specifically, as lands are considered for acquisition, easements rather than full fee acquisition will be considered. In addition, a component of the ecosystem restoration program is to maintain agricultural lands that also provide wildlife habitat. Therefore, CALFED will be pursuing easements on agricultural lands to compensate farmers for "wildlife friendly practices." Lands acquired for future restoration may stay in agricultural production for a period of time while planning for restoration occurs to minimize local impacts. Because a portion of the lands acquired in public ownership will be acquired by the U.S. Fish and Wildlife Service, compensation for reductions in local tax revenues will continue, consistent with current federal practice.

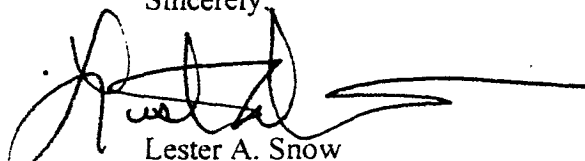
5. You have asked for a discussion of the level of commitment from environmental restoration interests in water supply enhancements.

The CALFED staff and agencies see cooperative and consensus approaches by organized interest groups as very important to successful implementation of a long-term Bay-Delta solution. The CALFED staff and agencies are developing an integrated program that addresses four resource areas: ecosystem restoration, levee system stability, water quality protection, and water supply reliability. This integrated program will be implemented in stages, so that all interested parties see improvements together. Developing commitments between interests groups is a critical part of the assurances program that the CALFED staff and agencies are developing with the help of representatives of all interest groups.

I hope this material clearly sets forth our point of view on the issues you have raised. Again, I look forward to the opportunity to discuss the progress of the CALFED Bay-Delta Program with you and the Subcommittee.

Please call me at (916) 657-2666 if you have questions on this material.

Sincerely,



Lester A. Snow
Executive Director

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cc Hon. Joseph M. McDade
House Appropriations Committee

Bruce Babbitt, Secretary
Department of the Interior

Hon. Pete Wilson,
Governor, State of California